The Ontario Cancer Treatment and Research Foundation

CHAIRMAN'S REPORT
AND
AUDITED FINANCIAL STATEMENTS
FOR THE
YEAR ENDED MARCH 31, 1984

85-6425/

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION

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M.A. MEIGHEN, Chairman
Dr. J.W. MEAKIN, Executive Director
R.D. GRAY, Secretary-Treasurer

November 1, 1984

The Honourable Keith C. Norton
Minister of Health for Ontario
Queen's Park
Toronto, Ontario
M7A 2C4

Dear Mr. Minister:

On behalf of the Members of The Ontario Cancer Treatment and Research Foundation, and in accordance with paragraph 13(1) of The Cancer Act, I am pleased to submit the publication "Cancer in Ontario 1983" and the enclosed audited financial statements for the year ended March 31, 1984 as the Annual Report of the Foundation for the fiscal year ended March 31, 1984.

The Provincial Role Study is expected to be completed in the near future and it is hoped that its recommendations will identify and rank the Province's needs with respect to cancer as well as indicate new directions for the Foundation to consider in achieving its stated objectives in a rapidly changing environment and with limited fiscal resources.

It is interesting to note that in calendar year 1983, the average annual workload in the Foundation's Regional Cancer Centres rose from the normal 4% increase to 10%.

The Standing Committee on Procedural Affairs of the Legislative Assembly which reviewed the Foundation recommended that our role in education be increased. In this connection, the Foundation and Ontario Division, Canadian Cancer Society agreed to jointly fund a Pilot Project for a Cancer Information Service based in Hamilton and this project is now underway.

The Members of the Board are appreciative of the support of your Ministry, the efforts of the Foundation staff and all others who have, by their dedication and continuing efforts, contributed to a brighter future for Ontario's cancer patients.

Yours sincerely,

Malcolm A. Meighen

M.A. Meighen, Q.C.
Chairman

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1984

Ontario

Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965- 1381

To The Ontario Cancer Treatment and Research Foundation and to the Minister of Health.

I have examined the balance sheet of The Ontario Cancer Treatment and Research Foundation as at March 31, 1984 and the statements of capital and endowment fund revenue and expenditure, capital and endowment fund, research and other special purposes funds, clinic construction fund and changes in funds financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

Bequests and donations to the Foundation, by their nature, are not susceptible to complete audit verification. Accordingly, my verification of receipts from these sources was limited to a comparison of recorded receipts with bank deposits.

In my opinion, except for the effect of any adjustments which might have been required had I been able to completely verify bequests and donations, these financial statements present fairly the financial position of the Foundation as at March 31, 1984 and the results of its operations and the changes in funds financial position for the year then ended in accordance with the basis of accounting described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Foundation and to the Minister.

J.F. Otterman

J.F. Otterman, C.A.,
Assistant Provincial Auditor.

Toronto, Ontario,
July 31, 1984.

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION

Balance Sheet
as at March 31, 1984

ASSETS	1984 $	1983 $
CURRENT		
Cash	464,689	731,142
Investments (notes 1c and 2)	27,483,973	23,962,610
Accrued investment income	686,546	311,011
Accounts receivable	476,245	245,430
Due from the Province of Ontario	1,350,890	1,154,778
Prepaid expenses	62,287	61,543
	30,524,630	26,466,514
OTHER		
Advances to The Ontario Cancer Institute	175,000	175,000
Fixed assets (notes 1d and 3a)	11,732,972	11,335,074
Deposits on equipment (note 3b)	1,904,071	1,690,338
	13,812,043	13,200,412
	44,336,673	39,666,926

LIABILITIES AND FUND BALANCES		
CURRENT		
Accounts payable	3,633,201	4,052,132
Deferred revenue (note 4)	-	600,000
	3,633,201	4,652,132
FUNDS (note 1a)		
Capital and endowment (statement 3)	30,135,759	26,079,131
Research and other special purposes (statement 4)	7,940,577	6,322,760
Clinic construction (statement 5)	2,627,136	2,612,903
	40,703,472	35,014,794
	44,336,673	39,666,926

See accompanying notes and schedule to financial statements.

On behalf of the Foundation:

Michael A. Taylor
Chairman

Secretary-Treasurer

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION

Capital and Endowment Fund
Statement of Revenue and Expenditure
for the year ended March 31, 1984

	1984 $	1983 $
REVENUE		
Province of Ontario		
Operation of treatment clinics	21,864,840	19,180,667
Cancer control programs (note 4)	10,008,059	8,866,500
Research	3,454,000	3,213,000
Treatment clinics	1,502,361	1,335,643
Donations and legacies (note 1b(i))	1,138,839	945,000
Investment income	1,868,262	1,547,520
Total revenue	39,836,361	35,088,330
EXPENDITURE		
Treatment clinics, including certain cancer control expenditure (schedule)	26,530,900	23,495,238
Cancer control programs		
Grant to The Ontario Cancer Institute	1,765,518	1,642,441
Grants for miscellaneous cancer control programs	884,842	926,880
Operation of hostels by treatment clinics	1,854,917	1,531,747
Assistance to cancer patients	1,077,928	842,227
Sundry clinical expenses	85,814	249,875
General, administrative and statistical expenses	3,056,660	2,122,081
	8,725,679	7,315,251
Research		
Grant to The Ontario Cancer Institute	2,086,353	1,912,879
Other grants and expenses	1,176,588	1,580,205
	3,262,941	3,493,084
Total expenditure	38,519,520	34,303,573
Excess of revenue over expenditure	1,316,841	784,757

See accompanying notes and schedule to financial statements.

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION

Statement of Capital and Endowment Fund for the year ended March 31, 1984

	1984 $	1983 $
Balance, beginning of year	26,079,131	20,719,599
Add: Grants from the Province of Ontario	2,706,591	4,416,394
Transfers from research and other special purposes funds (statement 4)		
For research from research fund	4,533	131,010
For equipment purchases from other special purposes fund	86,825	27,371
	91,358	158,381
Excess of revenue over expenditure (statement 2)	1,316,841	784,757
	4,114,790	5,359,532
Less: Transfer to other special purposes fund for Sunnybrook Hospital equipment purchases	58,162	-
Balance, end of year	30,135,759	26,079,131
Represented by:		
Fixed assets	11,732,972	11,335,074
Deposits on equipment	1,904,071	1,690,338
Reserve for equipment ordered and to be paid for from funds on hand	941,250	693,990
Endowment fund	15,557,466	12,359,729
	30,135,759	26,079,131

See accompanying notes and schedule to financial statements.

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION

Statement of Research and Other Special Purposes Funds for the year ended March 31, 1984

	1984 $	1983 $
RESEARCH FUND		
Balance, beginning of year	3,441,917	2,527,965
Add: Donations (note 1b(i))	413,366	803,692
Investment income	337,356	317,827
	750,722	1,121,519
Less: Transfer to capital and endowment fund for research expenses (statement 3)	4,533	131,010
Miscellaneous research expenses	246,111	76,557
	250,644	207,567
Balance, end of year	3,941,995	3,441,917

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION

Statement of Research and Other Special Purposes Funds
for the year ended March 31, 1984

	1984 $	1983 $
OTHER SPECIAL PURPOSES FUND		
Balance, beginning of year	2,880,843	2,566,128
Add: Donations (note 1b(i))	1,504,729	423,425
Investment income	206,398	119,787
Grant from the Provincial Lottery	85,018	1,223,982
Transfer from capital and endowment fund for Sunnybrook Hospital equipment purchases	58,162	-
Grant from the World Health Organization	-	49,726
	1,854,307	1,816,920
Less: Transfer to capital and endowment fund for equipment purchases (statement 3)	86,825	27,371
Grant to The Ontario Cancer Institute for nuclear magnetic resonance imaging equipment	85,018	1,223,982
Sudbury tumour registry	-	72,262
Grant to the Sunnybrook Hospital for equipment purchases	-	26,962
Miscellaneous expenses	564,725	151,628
	736,568	1,502,205
Balance, end of year	3,998,582	2,880,843
	7,940,577	6,122,760

See accompanying notes and schedule to financial statements.

STATEMENT 5

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION

Statement of Clinic Construction Fund for the year ended March 31, 1984

	1984 $	1983 $
Balance, beginning of year	2,612,903	2,636,056
Add: Investment income	257,926	273,009
Less: Design, planning and construction costs at various clinics	243,693	296,162
Balance, end of year	2,627,136	2,612,903

See accompanying notes and schedule to financial statements.

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION

Statement of Changes in Funds Financial Position for the year ended March 31, 1984

	1984 $	1983 $
Source of funds		
From operations		
Excess of revenue over expenditure	1,316,841	784,757
Depreciation not requiring an outlay of funds in the current year	1,695,012	1,343,137
	3,011,853	2,127,894
Fund receipts		
Capital and endowment	2,706,591	4,416,394
Research and other special purposes	2,546,867	2,938,439
Clinic construction	257,926	273,009
	5,511,384	7,627,842
Inter-fund transfers	149,520	158,381
	8,672,757	9,914,117
Use of funds		
Capital and endowment		
Purchase of fixed assets, net	2,092,911	3,758,604
Deposits on equipment	213,733	343,838
Research and other special purposes	895,853	1,551,391
Clinic construction	243,693	296,162
	3,446,190	5,949,995
Inter-fund transfers	149,520	158,381
	3,595,710	6,108,376
Increase in working capital	5,077,047	3,805,741
Working capital, beginning of year	21,814,382	18,008,641
Working capital, end of year	26,891,429	21,814,382

See accompanying notes and schedule to financial statements.

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION

Notes to Financial Statements
as at March 31, 1984

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of The Ontario Cancer Treatment and Research Foundation (the Foundation) present the financial position and results of its operations within the framework of the accounting policies summarized below:

(a) Fund Accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Accordingly, resources for various purposes are classified for accounting and reporting purposes into three funds. Transfers between these funds are made as required.

(i) Capital and Endowment Fund

The capital and endowment fund includes the ordinary day-to-day operating transactions of the Foundation. Revenue of this fund consists of grants from the Province of Ontario, income from investments and its clinics together with donations and legacies which have no restriction on their use. In addition to normal operating expenditures, grants for special purposes may be made from this fund subject to approval by the members of the Foundation. The balance of the capital and endowment fund is the equity of the Foundation, and comprises its investment in fixed assets of $14,570,293 with the balance of $15,557,466 available for operating expenditures in excess of Provincial funding.

(ii) Research and Other Special Purposes Funds

Donations or grants which have restrictions placed on their use are credited directly to these funds. Where it is appropriate for the fund to earn income, investment income is allocated to it. In many cases only the investment income earned by these funds is available for use of the Foundation. Disbursements from these funds are made in accordance with the terms associated with donations or grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Fund Accounting (cont'd)

(iii) Clinic Construction Fund

The clinic construction fund represents funds held for major construction projects. Income is allocated to it from the investment income earned by the Foundation. Disbursements are made as approved by the members of the Foundation. Costs for construction of cancer clinics are charged directly to this fund and therefore do not form part of the fixed asset costs.

(b) Revenue and Expenditure

(i) Revenue of capital and endowment, research and other special purposes, and clinic construction funds is recorded on the accrual basis except that bequests and donations, due to their nature, are included in revenue as received.

(ii) Expenditures of capital and endowment, research and other special purposes, and clinic construction funds are recorded on the accrual basis when goods or services are acquired in the current fiscal year.

(c) Investments

Investments are reflected at cost with the exception of those received as part of legacies which are shown at market value on the date of receipt.

(d) Fixed Assets

Depreciation of fixed assets, with the exception of radium which does not depreciate, is provided for on a straight line basis using the following rates.

Office furniture and general equipment	10%
Computer equipment	20%
Therapeutic and other technical equipment in service	10%
Radioactive cobalt	20%

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Fixed assets (cont'd)

Land and buildings donated to the Foundation by the Ontario Division, Canadian Cancer Society are recorded at nominal value.

2. INVESTMENTS

	1984 $	1983 $
Short term investments, at cost (which is equivalent to market)	7,720,814	7,658,146
NHA mortgages (market value $197,427; 1983 - $290,000)	189,270	272,425
Bonds and debentures (market value $12,182,717; 1983 - $12,407,918)	13,078,697	12,305,321
Stocks (market value $7,218,050; 1983 - $4,041,670)	6,495,192	3,726,718
	27,483,973	23,962,610

3. FIXED ASSETS

(a)

	1984		1983	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
	$	$	$	$
Office furniture, general and computer equipment	5,975,031	1,695,553	4,224,437	1,241,936
Therapeutic and other technical equipment in service	13,179,442	5,636,893	12,717,449	4,606,205
Radioactive cobalt	429,785	163,612	390,900	194,366
Radium	44,724	-	44,787	-
	19,228,992	7,496,018	17,377,573	6,042,507
	7,496,018		6,042,507	
	11,732,964		11,335,066	
Land and buildings, at nominal value	8		8	
	11,732,972		11,335,074	

(b) As at March 31, 1984 the Foundation has outstanding contractual commitments to acquire equipment in the amount of $3,230,214. The Foundation has recovered $2,845,321 from the Province of Ontario, and paid $1,904,071 as a down payment.

4. DEFERRED REVENUE

The Ministry of Health allowed the Foundation to retain $600,000 of the excess funding for the operation of its treatment clinics during the 1982-83 year. This amount was to be used in the development of services in Sudbury, the carrying out of a Provincial Role Study on Cancer Services and the upgrading of the Ontario Cancer Registry. These funds were transferred to cancer control revenue in 1983-84 for these purposes.

5. PENSION PLAN

The Foundation has a voluntary pension plan for its employees. Based on the most recent actuarial valuation of the plan as at July 1, 1982, the plan has a surplus of $697,831.

SCHEDULE

THE ONTARIO CANCER TREATMENT AND RESEARCH FOUNDATION

Expenditures of Treatment Clinics for the year ended March 31, 1984

Clinic	Salaries & Benefits $	Clinical Supplies $	Operation & Administration $
Hamilton	3,081,245	584,752	664,020
Kingston	1,974,737	58,543	683,606
London	2,912,466	346,471	862,763
Ottawa	4,598,529	889,750	1,384,218
Thunder Bay	951,739	157,576	250,285
Toronto Bayview	2,394,696	338,180	1,005,971
Windsor	1,403,637	345,287	261,635
	17,317,049	2,720,559	5,112,498

See accompanying notes to financial statements.

SCHEDULE (Cont'd)

	1984	1983
Depreciation $	Total $	Total $
150,129	4,480,146	3,879,431
141,474	2,858,360	2,349,464
270,913	4,392,613	3,883,508
362,155	7,234,652	6,915,716
77,762	1,437,362	1,258,935
304,635	4,043,482	3,228,187
73,726	2,084,285	1,979,997
1,380,794	26,530,900	23,495,238